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A radio talk by H. M. Dixon, Office of Cooperative Extension Work, delivered in the Land Grant College radio program, National Farm and Home Hour, Wednesday, December 21, 1932, broadcast by a network of 48 associate NBC radio stations.

In these critical times, naturally farmers give a great deal of their attention to studying business facts and adjusting their operations to best meet the conditions.

When prices of farm products were stable or rising, a farm above the average in one of the factors for success, such as size of business, yield of crops, production per animal, or efficiency of labor, made some money; but at present prices of farm products no farm succeeds unless it is above average in several factors.

Here is an illustration: The cash receipts less cash expenses on 79 farms whose owners kept accounts in one county last year averaged \$229, while on ten of these farms that were above the average in at least three factors, the returns were \$900 or over -- four times as much. Even though incomes of all farmers are lower under present conditions there is still nearly as wide a variation in incomes on different farms as in previous years. Simple farm accounts help find the reasons for these differences as Mr. Mosher will point out later on in this program.

The agricultural outlook service of the United States Department of Agriculture and the State Agricultural Colleges is designed to help farmers think and plan ahead of planting, breeding or marketing season. It helps a man to appraise the probable conditions his business will face at the time his products are ready for market. Over two million farmers obtained outlook information this past year, through bulletins, press articles, radio talks, personal contacts with county agents or other means.

Farmers agree that under present conditions the highest yields per acre or highest production per animal alone is not enough. It must also be economical production at low cost.

Forty-eight thousand farmers who kept accounts last year in cooperation with the Extension Service used some of the following ways to cut down the cash costs of operating their farms: Some fed more cheap grains; others bought less high priced concentrates and used more legumes. Practically all did their own repairing. They bought less fuel, used horses more, worked harder, hired less labor, and exchanged labor with their neighbors.

To improve cash receipts they ceased to spend labor on the poor producing acre or animal, took better care of the good acre or animal, and marketed as much feed as possible to livestock. They also watched the markets and sold advantageously, catered to home sales, and where possible, extended their retail sales.

They reduced cash living expenses by using more home-produced fruits, vegetables, milk, eggs, and meat. They canned and stored plenty for winter, cut out luxuries, and made old clothes do.

Since distribution charges are relatively high compared to other things, increasing numbers of farmers favorably located are doing more retailing of their farm products and more direct buying of farm supplies. The farmer who is in position to do some retailing or take advantage of some direct buying of course has a big advantage over those who must buy all supplies at retail and sell all farm products at wholesale. The use of more products produced on the farm is important in this regard.

Although banks are extremely cautious in these times about loaning money, farmers find it is still good business to get credit from the bank and to pay cash for purchases whenever possible. There is now more than the usual opportunity for saving by paying cash. One of the best ways being used by the farmer to convince the banker that he is a good credit risk is by preparing an annual inventory and filing a credit statement. Most farmers use the standard forms usually available through your county agent or local bank to take inventory and make up credit statements.

Naturally we can only briefly sketch a few of the ways in which farmers are using facts and making adjustments to better meet present conditions. County and home demonstration agents are continually supplying farm families with facts for better planning in production and marketing and for adjusting farm and home financial programs. They have the facts, understand local conditions, and will gladly help any one. The agricultural programs they are helping develop are resulting in individual farm plans being made with more relationship one to the other and less surplus products. This program is carried out with the aid of farmers and other business organizations and is a most forceful factor in present day agricultural improvement.

Your county agent will gladly supply you with reports about the outlook for the commodities you produce and with the farm and home account books available in your State. Farmers who use these services report that they help them organize their farms for economy and efficiency, and aid them in handling their credit obligations, in their marketing, and in controlling their costs. They keep accounts, then study and profit by them. Here is the way one county agent sized up the situation after making an analysis of over 100 farm accounts in his county: "Do the usual thing unusually well."